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THE HON. SRI C. SUBRAMANIAM : I am not aware of the building grant given to it. Perhaps it comes under certain other rules but the institution as an Hindi-teaching institution has not been recognized by the Education Department.

*Rural Banks*

* 2495 *Q.*—SRI M. NARAYANA KURUP : Will the Hon. the Minister for Health be pleased to state how many rural banks have so far been sanctioned and started in the State and in which places?

THE HON. SRI A. B. SHETTY : Twenty-five rural co-operative banks have been sanctioned for organization at select centres in the State. Fifteen such banks have been started as on 9th July 1955. A statement [a] showing the places where they have been started is placed on the table of the House.

SRI M. NARAYANA KURUP : May I know whether any of the banks mentioned in the answer have actually started working and if so at what rate they are lending money to the rural folks?

THE HON. SRI A. B. SHETTY : Out of the 23 banks for which registration has been permitted, 18 banks have been registered and 5 are pending registration. Out of the 18 banks registered so far, 15 have started work as on 9th July 1955. The information, which the hon. Member wants, is not available with me just at present.

DR. K. B. MENON : Are the Government aware that a number of P.C.C. Societies which have huge reserves have applied for conversion to rural banks and that the departmental permission has not been granted. If it is expedited, their overhead charges could be saved and a better service could be rendered with the amount available. So, will the Government expedite the whole matter?

THE HON. SRI A. B. SHETTY : Proposals for converting some of the P.C.C. Societies in Malabar into ...Rural Co-operative Banks have been received and they are under consideration.

SRI M. NARAYANA KURUP : The Hon. Minister has stated that some are functioning but the crucial information as to the rate at which loans are advanced is lacking. People are not concerned with the type of organization but with the rate of interest. It has been stated that the Reserve Bank has granted so many crores of rupees to be disbursed to the rural folk at 1½ per cent interest. But, in fact, these banks are collecting 7½ per cent interest. Will the Hon. Minister see that the purpose of the bank is served by reducing the rate of interest so that the people may get real help? He may at least furnish the requisite information in writing.

THE HON. SRI A. B. SHETTY : Whatever information the hon Member wants can be supplied to him.

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[a] Printed as Appendix II on page 366 infra.

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SRI S. PANCHAKSHARAM : A small number of banks that have been started are not perhaps quite adequate for the requirements of the rural folk. Is it tried as an experimental measure now or does it form part of the extensive operations that are contemplated by the Government in the co-operative field?

THE HON. SRI A. B. SHETTY : There are proposals in the Second Five-Year Plan to give medium-term loans on a larger scale and I trust that more such banks will be opened.

SRI C. KANDASAMY : Sir, in the statement laid on the table of the House, the Ramanathapuram district has been completely left out in spite of the fact that in a particular village, Watrap, in the Ramanathapuram district, according to the instructions of the Deputy Registrar, shares have already been collected and applications have been made. Why is it being delayed and will the Hon. Minister see that the bank is started there soon?

THE HON. SRI A. B. SHETTY : Yes, Sir, all steps are being taken to expedite the starting of the bank as early as possible.

SRI S. SWAYAMPRAKASAM : Co-operative banks get money from the Reserve Bank at $1\frac{1}{2}$ per cent interest but when it reaches the borrower in the village, $6\frac{1}{4}$ per cent is being charged. The State Co-operative Bank charges some amount and the District Central Bank also charges certain amount, with the result that for the mere transfer of the money, $6\frac{1}{4}$ per cent interest is charged. Even a private money-lender charges only 5 per cent or so in the case of a private individual. So, under these circumstances, will the Government consider the whole matter and try to induce either the State or the District Co-operative Bank not to charge any interest for the amount which is being advanced to the villagers.

THE HON. SRI A. B. SHETTY : The information sought for by the hon. Member is not relevant to the main question, viz. :

" How many Rural Banks have so far been sanctioned and started in the State and in which places? "

SRI M. KALYANASUNDARAM : May I know from the Hon. Minister, why no bank has been registered in the district of Ramanathapuram and also whether it is a fact that the villagers of Watrap have offered to organize a bank and that the Registrar is refusing to register it?

THE HON. SRI A. B. SHETTY : I shall look into the matter.

SRI P. RANGASWAMY REDDIAR : Of these, 15 Rural Co-operative Banks, may I know whether any of them have already begun to function, and if so, how many, and whether it is a fact that the Government have loaned the services of co-operative officers to these banks and if so, how many?

THE HON. SRI A. B. SHETTY : The Government are lending the services of experienced Senior Inspectors to each of these banks. I have already answered the first part of the question, that 15 banks have started work up to 9th July 1955.

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SRI S. PANCHAKSHARAM : The Hon. Minister has stated that only 15 banks have been started. But to my knowledge, there are at least two banks which have been started in the district of North Arcot, one at Tiruvannamalai and another at Arcot. May I know why these two banks have not been included in the statement laid on the table of the House?

THE HON. SRI A. B. SHETTY : The date of the answer furnished is 5th August 1955. It may be that after that date, some more banks might have been started.

SRI T. C. NARAYANAN NAMBIAR : The Hon. Minister has stated that 15 Rural Co-operative Banks have started work out of the 23 banks permitted to be registered. But I understand from very reliable sources that opening of two banks, one in the south and another in the north of Malabar, has been sanctioned but no steps have so far been taken to start them. May I know why there has been so much delay in the matter and will the Government take immediate action to see that these two banks are started in Malabar?

11-50 a.m. THE HON. SRI A. B. SHETTY : The Deputy Registrar, Malabar South, has organized a rural bank at Mannur and he has promised to submit his proposals for the registration of the bank after consulting the Malabar Co-operative Bank, Limited, Kozhikode. As regards North Malabar, the Deputy Registrar has reported that apart from conversion of Producers-*cum*-Consumers' Co-operative Societies into rural co-operative banks, there is no possibility of organizing an independent rural co-operative bank.

*Siruvani River Reservoir Scheme*

* 2496 *Q.*—SRI P. S. RANGASWAMI NAIDU : Will the Hon the Minister for Public Works be pleased to state—

(*a*) whether the Government have received any representations from the public of Palladam taluk, Coimbatore district, to divert the waters of the Siruvani river into the Noyyal river for agricultural purposes ;

(*b*) whether the District Planning Board has recommended the scheme; and

(*c*) if so, the action taken thereon?

THE HON. SRI R. SHANMUGA RAJESWARA SETHUPATHI : (*a*) & (*b*) Yes.

(*c*) The matter is under consideration.

* 2497 *Q.*—SRI N. K. PALANISAMY : Will the Hon. the Minister for Public Works be pleased to state whether Siruvani Reservoir has been surveyed by the Engineers during 1955 with a view to let in more water from the rivers that go beyond Western Ghats?